

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

IN RE:)	Case No.: 08-35653 (KRH)
)	Chapter 11
CIRCUIT CITY STORES, INC,)	
)	
Debtor.)	
)	

**RESPONSE OF CABARRUS COUNTY
NORTH CAROLINA TO THE LIQUIDATING
TRUSTEE'S OBJECTION TO CLAIM NO. 15143**

Cabarrus County, North Carolina (the "County"), through its County Attorney, responds to the objection of the Liquidating Trustee to its Claim No. 15143 and shows the Court the following:

1. The County filed Claim No. 15143 for 2009 ad valorem property taxes owed to the County for property of the Debtor located within the County.
2. The Liquidating Trustee has objected because the Trustee claims 1) the claim was filed late and 2) the claim is to be reduced to reflect the amount of tax based on the fair market value of the property subject to tax.
3. The 2009 County tax bill upon which the claim is based was not calculated, printed and mailed until July, 2009, after the governmental bar date of May 1, 2009.
4. As of May 1, 2009, the amount of the tax bill could not be calculated because the 2009 ad valorem bills for all County taxpayers was based on the Fiscal Year 2009-10 budget and the tax rate was not approved until June, 2009 by the County Board of Commissioners.
5. This is the standard statutory procedure in North Carolina for determining annual ad valorem tax bills.
6. In the County's experience, in Chapter 11 bankruptcy cases, the post petition taxes are paid during the pendency of the case. When the 2009 taxes were not paid by the deadline of January, 2010, the County filed its claim for such taxes.
7. The Liquidating Trustee has unilaterally reduced the County's claim, based on its

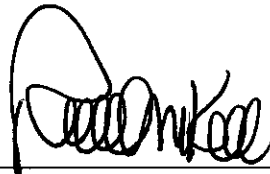
assertion that the reduced amount reflects the correct amount of tax based on the fair market value of the debtor's property subject to the tax.

8. The Liquidating Trustee has offered no written justification for this reduction or any calculation or methodology or appraisal showing how it arrived at the reduction.

9. The County acknowledges that the Court has the authority to adjust the County's assessed value but such an adjustment cannot be arbitrary and must be based on a reliable and fair valuation of the property.

WHEREFORE, the County prays the Court to deny the Liquidating Trustees objections to the County's Claim No. 15143 and to allow such claim in full.

This 6th day of April, 2011.

A handwritten signature in black ink, appearing to read 'Richard M. Koch', is written over a horizontal line.

RICHARD M. KOCH
Cabarrus County Attorney
State Bar No. 8360
3220-201 Prosperity Church Road
Charlotte, North Carolina 28269
Telephone: 704-503-5700

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CERTIFICATE OF SERVICE

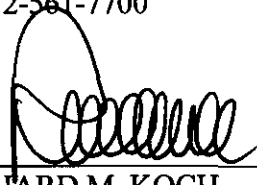
The undersigned, as attorney of record for the Cabarrus County Tax Collector, does hereby certify that on this day, a copy of the Response of Cabarrus County, North Carolina to the Liquidating Trustee's Objection to Claim No. 15143 was served on the following individuals by depositing the same, enclosed in a postage prepaid, properly addressed wrapper, in an official depository under the exclusive care and custody of the United States Postal Services, addressed as follows:

Paula S. Beran
Tavener & Beran, PLC
20 North Eighth Street, 2nd Floor
Richmond, Virginia 23219
Telephone: 804-783-8300

Jeffrey N. Pomerantz, Esq.
Pachulski Stand Ziehl & Jones, LLP
10100 Santa Monica Boulevard
Los Angeles, California 90067-4100
Telephone: 310-277-6910

Robert J. Feinstein, Esq.
Pachulski Stand Ziehl & Jones, LLP
780 Third Avenue, 36th Floor
New York, New York 10017
Telephone: 212-561-7700

This 6th day of April, 2011.



RICHARD M. KOCH
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Charlotte, North Carolina 28269
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April 6, 2011

BY OVERNIGHT COURIER

Clerk of the Bankruptcy Court
United States Bankruptcy Court
Eastern District of Virginia
701 East Broad Street Room 4000
Richmond, Virginia 23219

Re: Circuit City Stores, Inc.
Case No.: 08-35653 (KRH)
Chapter 11

Dear Sirs:

Enclosed for filing please find an original and two (2) copies of a Response of Cabarrus County, North Carolina to the Liquidating Trustee's Objection to Claim No. 15143 in the above-referenced matter. Please return a filed stamped copy to me in the enclosed self-addressed stamped envelope.

I would like to thank you in advance for your time and assistance.

Very truly yours,



Richard M. Koch

RMK/dm
Enclosure

cc: Paula S. Beran (with enclosure)
Jeffrey N. Pomerantz (with enclosure)
Robert J. Feinstein (with enclosure)